

# Liquor Control

## MISSION STATEMENT

The mission of the Department of Liquor Control (DLC) is to provide licensing, wholesale and retail sales of beverage alcohol products, enforcement and effective education and training programs, while promoting moderation and responsible behavior in all phases of distribution and consumption. The department diligently promotes, enforces and obeys all laws and regulations governing beverage alcohol while generating revenue for the benefit of Montgomery County's General Fund.

## BUDGET OVERVIEW

The total recommended FY08 Operating Budget for the Department of Liquor Control is \$38,945,620, an increase of \$5,427,650 or 16.2 percent from the FY07 Approved Budget of \$33,517,970. Personnel Costs comprise 59.4 percent of the budget for 260 full-time positions and 60 part-time positions for 340.6 workyears. Operating Expenses and Capital Outlay account for the remaining 40.6 percent of the FY08 budget.

Not included in the above recommendation is a total of \$67,150 and 1.0 workyear that is charged to Health and Human Services, General Fund. The funding and workyears for this item are included in the receiving department's budget.

The above projections and proposed expenditures form the basis for working capital decisions concerning the Liquor Enterprise Fund.

The following information is provided to facilitate County Council and public input for final County Executive decisions on the determination of adequate working capital within, and use of resources in, the Liquor Enterprise Fund and net proceeds to be deposited to the General Fund. Consistent with Article 2B, Section 15-207, the County Executive must make resource allocation decisions for the Fund.

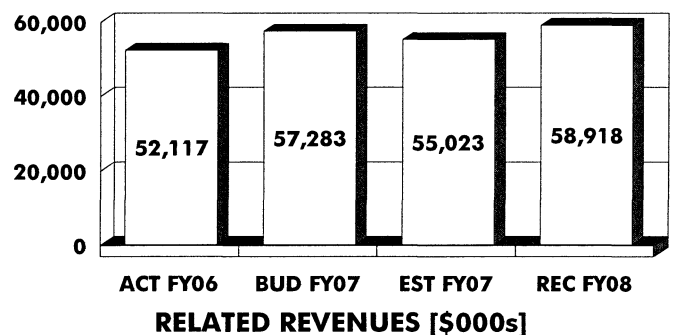
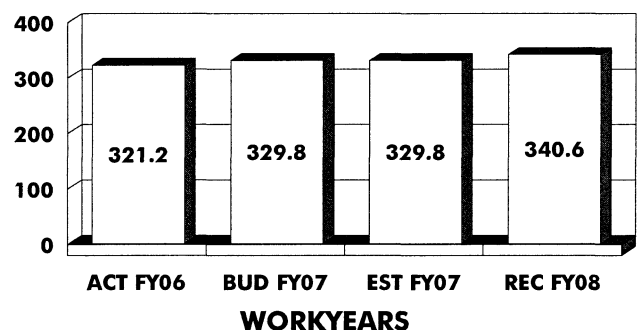
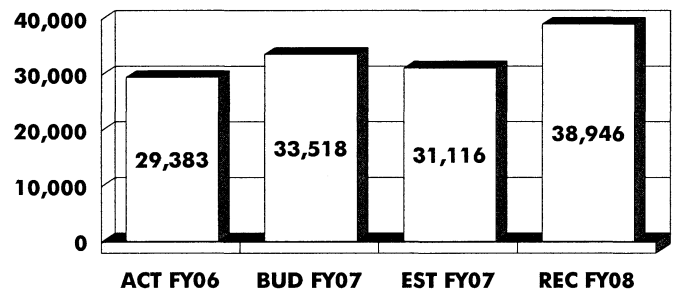
## HIGHLIGHTS

- ❖ *Reorganized the Board of License Commissioners to become a division within the Department of Liquor Control called the Division of Licensure, Regulation, and Education in FY07. The Department plans to expand its alcohol and tobacco training to ensure all license-holders understand the laws and feel confident in what they can and cannot do.*
- ❖ *Transfer \$22,150,050 to the General Fund.*
- ❖ *Add a new liquor store to the UpCounty to accommodate the significant growth in population.*
- ❖ **PRODUCTIVITY ENHANCEMENTS**
  - *Continue to design and implement an enterprise-wide IT system that will centralize all*

## Program Summary

	Expenditures	WYs
Warehouse Operations	7,209,500	67.5
Delivery Operations	5,583,780	75.7
Retail Sales Operations	16,000,420	151.4
Retail Contracted Operations	366,410	0.0
Accounting and Inventory Systems	2,317,780	20.1
Information Management	1,819,060	9.1
Licensure, Regulation, and Education	1,584,660	14.3
Administration	4,064,010	2.5
<b>Totals</b>	<b>38,945,620</b>	<b>340.6</b>

## Trends



**business functions and improve customer service.**

**•Continue to review product portfolios and work with suppliers to ensure comprehensive and fresh product offerings at fair prices.**

**•Continue to make operations more efficient and identify ways to improve customer service.**

**•Continue to speak locally, regionally, and nationally on beverage alcohol issues and the benefits of a controlled jurisdiction.**

## PROGRAM CONTACTS

Contact Lynn Duncan of the Department of Liquor Control at 240.777.1915 or Alison Dollar of the Office of Management and Budget at 240.777.2781 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### Warehouse Operations

This program involves management of the County's beverage alcohol warehouse and includes the purchase, receipt, and storage of over 14,000 different stock and special order items.

#### FY08 Recommended Changes

- ☐ *Add two Equipment Operators for a total of 15 to unload and load trucks, to move and rotate stock in the warehouses, and to accommodate the caseload, which has increased over 11 percent in the last 5 years.*

	Expenditures	WYs
<b>FY07 Approved</b>	<b>6,131,740</b>	<b>57.2</b>
<b>FY08 CE Recommended</b>	<b>7,209,500</b>	<b>67.5</b>

### Delivery Operations

This program includes the distribution of distilled spirits, wine, and beer to licensed establishments and County retail stores.

#### FY08 Recommended Changes

- ☐ *Continue the replacement schedule for the delivery truck fleet. Adhering to the schedule allows for maximum use of each vehicle, minimizes down-time and expensive repairs, and spreads the costs over time.*

	Expenditures	WYs
<b>FY07 Approved</b>	<b>6,258,720</b>	<b>84.0</b>
<b>FY08 CE Recommended</b>	<b>5,583,780</b>	<b>75.7</b>

### Retail Sales Operations

This program oversees sales of distilled spirits, wine, and beer to off-sale retail customers through the operation of retail stores (24 County-staffed and operated and one contractor-operated) located throughout Montgomery County.

#### FY08 Recommended Changes

- ☐ *Add a new liquor store to the UpCounty to accommodate the significant growth in population.*

	Expenditures	WYs
<b>FY07 Approved</b>	<b>15,350,990</b>	<b>150.6</b>
<b>FY08 CE Recommended</b>	<b>16,000,420</b>	<b>151.4</b>

### Retail Contracted Operations

Article 2B of the Annotated Code of Maryland allows the County to hire contractors to operate County liquor stores. The County must retain title to all retail stock until sold. The County Council adopted Council Resolution No. 12-452 on November 12, 1991, mandating that the County contract with qualified contractors to operate selected stores. The Kensington, Muddy Branch, and the Pike sites were selected for contracting, and in the Fall of 1992, contractor staff replaced the County employees. In Fall 1994, the Flower Avenue store became a contractor-operated facility. In December 2000, the Kensington store reverted to County operation. State legislation allows the Director of the Department of Liquor Control to contract the operation of a retail outlet only with those persons who had a contract in effect on January 1, 1997. In fiscal year 2005, two of the three contractor-operated facilities (Rockville Pike and Muddy Branch) reverted to County-staffed and operated stores. Flower Avenue remains as the sole contractor-operated retail store.

#### FY08 Recommended Changes

	Expenditures	WYs
<b>FY07 Approved</b>	<b>190,650</b>	<b>0.0</b>
<b>FY08 CE Recommended</b>	<b>366,410</b>	<b>0.0</b>

### Accounting and Inventory Systems

This program provides accounting and financial services for the department. Staff performs day-to-day accounting functions, special analysis and reporting, and the preparation and monitoring of the department's budget.

#### FY08 Recommended Changes

	Expenditures	WYs
<b>FY07 Approved</b>	<b>2,178,060</b>	<b>18.9</b>
<b>FY08 CE Recommended</b>	<b>2,317,780</b>	<b>20.1</b>

### Information Management

This program provides for the design, operation, maintenance, and protection of all information technology initiatives of the department. These initiatives include the warehouse inventory system, the retail point-of-sale system, and numerous personal computer applications.

#### FY08 Recommended Changes

	Expenditures	WYs
<b>FY07 Approved</b>	<b>2,411,170</b>	<b>14.6</b>
<b>FY08 CE Recommended</b>	<b>1,819,060</b>	<b>9.1</b>

### Licensure, Regulation, and Education

This program includes issuing of beverage alcohol licenses; inspecting and investigating licensed facilities to ensure compliance with all applicable laws, rules and regulations; and serving as support staff and providing expert testimony at

hearings for issuance, fining, suspension or revocation of licenses. This program also encompasses community outreach by defining issues and strategies and monitoring efforts with various agencies, departments, civic organizations, businesses, and individuals to provide and coordinate innovative programs and measures to ensure safe and vibrant communities relative to the service and consumption of beverage alcohol.

**FY08 Recommended Changes**

- ☐ *Reorganized the Board of License Commissioners to become a division within the Department of Liquor Control called the Division of Licensure, Regulation, and Education in FY07. The Department plans to expand its alcohol and tobacco training to ensure all license-holders understand the laws and feel confident in what they can and cannot do.*
- ☐ *Effective FY08, the Community Outreach program will become a part of the Licensure, Regulation, and Education program.*

	Expenditures	WYs
<b>FY07 Approved</b>	<b>223,250</b>	<b>2.0</b>
<b>FY08 CE Recommended</b>	<b>1,584,660</b>	<b>14.3</b>

**Administration**

This program provides overall direction, administration, and supervision for the department.

**FY08 Recommended Changes**

- ☐ *GASB 45 retiree insurance costs are included in FY08 for \$445,260.*
- ☐ *Effective FY08, financing for State transportation projects is appropriated in the Department of Liquor Control for \$2,800,000.*

	Expenditures	WYs
<b>FY07 Approved</b>	<b>773,390</b>	<b>2.5</b>
<b>FY08 CE Recommended</b>	<b>4,064,010</b>	<b>2.5</b>

## BUDGET SUMMARY

	Actual FY06	Budget FY07	Estimated FY07	Recommended FY08	% Chg Bud/Rec
<b>LIQUOR CONTROL</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	14,392,487	15,730,220	15,273,840	17,185,330	9.3%
Employee Benefits	4,689,453	5,725,630	4,962,220	5,944,570	3.8%
<b>Liquor Control Personnel Costs</b>	<b>19,081,940</b>	<b>21,455,850</b>	<b>20,236,060</b>	<b>23,129,900</b>	<b>7.8%</b>
Operating Expenses	8,627,165	10,947,520	10,406,260	14,351,120	31.1%
Capital Outlay	1,673,642	1,114,600	473,900	1,464,600	31.4%
<b>Liquor Control Expenditures</b>	<b>29,382,747</b>	<b>33,517,970</b>	<b>31,116,220</b>	<b>38,945,620</b>	<b>16.2%</b>
<b>PERSONNEL</b>					
Full-Time	242	252	252	260	3.2%
Part-Time	60	60	60	60	—
Workyears	321.2	329.8	329.8	340.6	3.3%
<b>REVENUES</b>					
Liquor Licenses	0	0	0	1,300,000	—
Miscellaneous/Investment Income	64,430	53,000	53,000	66,000	24.5%
Operating Revenue	52,053,030	57,230,000	54,969,900	57,168,700	-0.1%
Liquor License Application Fees	0	0	0	153,000	—
Liquor Enforcement Fines	0	0	0	200,000	—
Tobacco Enforcement Fines	0	0	0	20,000	—
Publication Sales - Alcohol Regulation	0	0	0	900	—
Fingerprint Processing Fee	0	0	0	9,000	—
<b>Liquor Control Revenues</b>	<b>52,117,460</b>	<b>57,283,000</b>	<b>55,022,900</b>	<b>58,917,600</b>	<b>2.9%</b>

## FY08 RECOMMENDED CHANGES

	Expenditures	WYs
<b>LIQUOR CONTROL</b>		
<b>FY07 ORIGINAL APPROPRIATION</b>	<b>33,517,970</b>	<b>329.8</b>
<b>Changes (with service impacts)</b>		
Add: Financing: State Transportation Participation Projects [Administration]	2,800,000	0.0
Add: New Retail Store [Retail Sales Operations]	415,000	0.0
Enhance: Two Equipment Operator Positions Grade 13 [Warehouse Operations]	94,000	2.0
Reduce: Convert 3 part-time Alcohol Tobacco Specialists to 1 full-time [Licensure, Regulation, and Education]	-14,400	-0.5
Reduce: Advertising [Retail Sales Operations]	-75,000	0.0
<b>Other Adjustments (with no service impacts)</b>		
Shift: Reorganization of Office of the Board of License Commissioners into Liquor Control Division of Licensure Regulation and Education [Licensure, Regulation, and Education]	1,043,060	12.3
Increase Cost: General Wage and Service Increment Adjustments	980,100	0.0
Increase Cost: GASB 45 Retiree Insurance Costs [Administration]	445,260	0.0
Increase Cost: Labor Contracts [Administration]	201,240	0.0
Increase Cost: Store Leases [Retail Sales Operations]	193,720	0.0
Increase Cost: Annualization of FY07 Personnel Costs [Administration]	137,840	2.0
Increase Cost: Retirement Rate Adjustment	88,050	0.0
Increase Cost: Delivery Truck Replacement [Delivery Operations]	75,000	0.0
Increase Cost: Non-professional services [Warehouse Operations]	53,500	0.0
Increase Cost: Charges from Public Works and Transportation [Warehouse Operations]	40,000	0.0
Increase Cost: Minor Enhancements to Existing Stores [Retail Sales Operations]	40,000	0.0
Increase Cost: MLS Adjustment [Administration]	23,580	0.0
Increase Cost: Printing and Mail Adjustments	19,310	0.0
Increase Cost: Paper bags [Retail Sales Operations]	19,000	0.0
Increase Cost: Motor Pool Rate Adjustment	8,450	0.0
Decrease Cost: Occupational Medical Services (OMS) Adjustment	-5,800	0.0
Decrease Cost: Risk Management Adjustment [Delivery Operations]	-16,470	0.0
Decrease Cost: Group Insurance Rate Adjustment	-122,380	0.0
Decrease Cost: Transfer IT position to DTS [Information Management]	-130,090	-1.0
Decrease Cost: Controlled Environment Warehouse - Debt Service Transfer [Warehouse Operations]	-190,000	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY07 [Administration]	-215,320	0.0

	Expenditures	WYs
Decrease Cost: Eliminate Four IT Positions [Information Management]	-480,000	-4.0
<b>FY08 RECOMMENDED:</b>	<b>38,945,620</b>	<b>340.6</b>

## FUTURE FISCAL IMPACTS

Title	CE REC. FY08	FY09	FY10	(S000's) FY11	FY12	FY13
This table is intended to present significant future fiscal impacts of the department's programs.						
<b>LIQUOR CONTROL</b>						
<b>Expenditures</b>						
<b>FY08 Recommended</b>	<b>38,946</b>	<b>38,946</b>	<b>38,946</b>	<b>38,946</b>	<b>38,946</b>	<b>38,946</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Items Recommended in FY08</b>	<b>0</b>	<b>-75</b>	<b>-75</b>	<b>-75</b>	<b>-75</b>	<b>-75</b>
Items approved for one-time funding in FY08, including one delivery truck, will be eliminated from the base in the outyears.						
<b>Labor Contracts</b>	<b>0</b>	<b>1,191</b>	<b>2,382</b>	<b>2,501</b>	<b>2,501</b>	<b>2,501</b>
These figures represent the annualization of service increments, general wage adjustments, and associated benefits. Estimated compensation (e.g., general wage adjustments and service increments) for personnel are included for FY09 and beyond.						
<b>Labor Contracts - Other</b>	<b>0</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
These figures represent other negotiated items included in the labor agreements.						
<b>Central Duplicating Deficit Recovery Charge</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>-8</b>	<b>-8</b>	<b>-8</b>
Departments will be assessed a per-employee charge to recover Central Duplicating's negative fund balance by the end of FY09.						
<b>Group Insurance Premium Holiday Adjustment</b>	<b>0</b>	<b>175</b>	<b>175</b>	<b>175</b>	<b>175</b>	<b>175</b>
This is the estimated cost to restore funding for two pay periods of group insurance premium contributions.						
<b>Other Post Employment Benefits (OPEB)</b>	<b>0</b>	<b>438</b>	<b>1,022</b>	<b>1,606</b>	<b>2,189</b>	<b>2,321</b>
These figures represent the estimated cost of the five-year plan to fully fund the annual required contribution related to post-employment benefits other than pensions for the County's workforce.						
<b>Retail Store Leases</b>	<b>0</b>	<b>184</b>	<b>386</b>	<b>599</b>	<b>821</b>	<b>821</b>
The leases for 25 retail stores include annual escalation clauses.						
<b>State Transportation Projects</b>	<b>0</b>	<b>4,100</b>	<b>4,700</b>	<b>4,800</b>	<b>4,700</b>	<b>4,600</b>
Financing for the State Transportation Participation CIP Project No. 500722 and the Glenmont Metro Parking Expansion CIP Project No. 500552.						
<b>Subtotal Expenditures</b>	<b>38,946</b>	<b>44,974</b>	<b>47,547</b>	<b>48,555</b>	<b>49,260</b>	<b>49,292</b>

FY08-13 PUBLIC SERVICES PROGRAM: FISCAL PLAN				DEPARTMENT OF LIQUOR CONTROL			
FISCAL PROJECTIONS	FY07 ESTIMATE	FY08 REC	FY09 PROJECTION	FY10 PROJECTION	FY11 PROJECTION	FY12 PROJECTION	FY13 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
CPI (Fiscal Year)	3.4%	3.1%	2.8%	2.7%	2.7%	2.6%	2.6%
Investment Income Yield	0.0523	0.0515	0.05	0.05	0.0505	0.051	0.0515
<b>BEGINNING CASH BALANCE</b>	<b>9,247,170</b>	<b>8,264,370</b>	<b>3,315,880</b>	<b>4,057,580</b>	<b>5,132,140</b>	<b>7,807,700</b>	<b>12,297,840</b>
<b>REVENUES</b>							
Taxes	0	0	0	0	0	0	0
Licenses & Permits	0	1,453,000	1,493,680	1,534,010	1,574,660	1,615,600	1,656,800
Charges For Services	0	9,900	10,180	10,460	10,740	11,020	11,310
Fines & Forfeitures	0	220,000	226,160	232,270	238,430	244,630	250,870
Intergovernmental	0	0	0	0	0	0	0
Miscellaneous	55,022,900	57,234,700	59,521,440	61,899,660	64,373,010	66,945,290	69,620,460
<b>Subtotal Revenues</b>	<b>55,022,900</b>	<b>58,917,600</b>	<b>61,251,460</b>	<b>63,676,400</b>	<b>66,196,840</b>	<b>68,816,540</b>	<b>71,539,440</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(22,919,480)</b>	<b>(22,920,470)</b>	<b>(18,335,570)</b>	<b>(17,854,680)</b>	<b>(17,766,540)</b>	<b>(17,866,540)</b>	<b>(17,966,540)</b>
Transfers To Debt Service Fund	(770,420)	(770,420)	0	0	0	0	0
Liquor Revenue Bonds-Transportation Projects	0	0	0	0	0	0	0
Short Term Lease-Liquor Warehouse	(770,420)	(770,420)	0	0	0	0	0
Transfers To The General Fund	(22,149,060)	(22,150,050)	(18,335,570)	(17,854,680)	(17,766,540)	(17,866,540)	(17,966,540)
<b>TOTAL RESOURCES</b>	<b>41,350,590</b>	<b>44,261,500</b>	<b>46,231,770</b>	<b>49,879,300</b>	<b>53,562,440</b>	<b>58,757,700</b>	<b>65,870,740</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(31,116,220)	(38,945,620)	(38,945,620)	(38,945,620)	(38,945,620)	(38,945,620)	(38,945,620)
Debt Service Other:State Transportation Projects	0	n/a	(1,300,000)	(1,900,000)	(2,000,000)	(1,900,000)	(1,800,000)
Labor Agreement	n/a	n/a	(1,202,000)	(2,393,100)	(2,511,680)	(2,511,680)	(2,511,680)
Annualizations and One-Time	n/a	n/a	75,000	75,000	75,000	75,000	75,000
Retail Store Leases	n/a	n/a	(184,280)	(386,280)	(599,280)	(821,280)	(821,280)
Other Post Employment Benefits (OPEB)	n/a	n/a	(438,410)	(1,022,470)	(1,605,770)	(2,188,890)	(2,320,600)
Group Insurance Premium Holiday/Central Duplication	n/a	n/a	(178,880)	(174,690)	(167,390)	(167,390)	(167,390)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(31,116,220)</b>	<b>(38,945,620)</b>	<b>(42,174,190)</b>	<b>(44,747,160)</b>	<b>(45,754,740)</b>	<b>(46,459,860)</b>	<b>(46,491,570)</b>
<b>OTHER CLAIMS ON CASH BALANCE</b>	<b>(1,970,000)</b>	<b>(2,000,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(33,086,220)</b>	<b>(40,945,620)</b>	<b>(42,174,190)</b>	<b>(44,747,160)</b>	<b>(45,754,740)</b>	<b>(46,459,860)</b>	<b>(46,491,570)</b>
<b>YEAR END CASH BALANCE</b>	<b>8,264,370</b>	<b>3,315,880</b>	<b>4,057,580</b>	<b>5,132,140</b>	<b>7,807,700</b>	<b>12,297,840</b>	<b>19,379,170</b>
<b>END-OF-YEAR RESERVES AS A</b>							
<b>PERCENT OF RESOURCES</b>	<b>20.0%</b>	<b>7.5%</b>	<b>8.8%</b>	<b>10.3%</b>	<b>14.6%</b>	<b>20.9%</b>	<b>29.4%</b>

**Assumptions:**

1. Ending cash balance = One month's Operating Expenses, One Payroll, and \$1.5M for inventory.
2. Net Sales growth estimated at 4% per year.
3. Operating Revenue growth estimated at 4% per year.
4. Operating Expenses grow with Major Known Commitments and not CPI.
5. One new store in FY08.
6. The labor contract with the Municipal and County Government Employees Organization, Local 1994 expires at the end of FY10.
7. The transfer to debt service of \$770,420 in FY07 and in FY08 is for the Temperature Controlled Warehouse.
8. Effective FY08, financing for State transportation projects is appropriated in the Department of Liquor Control.

## LIQUOR CONTROL

**PROGRAM:**

Retail Operations

**PROGRAM ELEMENT:**
**PROGRAM MISSION:**

To provide efficient, customer-friendly retail stores that compete successfully with stores in surrounding jurisdictions both in price and selection; that comply with all laws; and that return a reasonable transfer to the General Fund

**COMMUNITY OUTCOMES SUPPORTED:**

- Provide high quality, high value service to customers
- Foster respect for all County, State, and Federal laws
- Provide a reasonable transfer to the General Fund to assist in supporting other County services

**PROGRAM MEASURES**

	FY04 ACTUAL	FY05 ACTUAL	FY06 ACTUAL	FY07 BUDGET	FY08 CE REC
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**Outcomes/Results:**

Gross profit (\$000)	22,671	24,241	23,944	22,899	25,983
Net income (\$000)	8,519	9,254	8,191	7,115	7,137
General Fund transfer (\$000)	6,984	6,971	7,038	6,970	7,530

**Service Quality:**

Board of Liquor License Commissioners inspection violations	0	0	1	0	0
Montgomery County Police Department inspection violations	0	0	1	3	0
Percentage of customers satisfied with customer service offered	96	97	97	100	100
Percentage of customers satisfied with facility and design	94	96	95	100	100
Percentage of customers satisfied with product selection	93	90	95	100	100
Percentage of customers satisfied with product pricing	92	92	89	100	100

**Efficiency:**

Gross profit per dollar of labor costs (\$)	3.39	3.15	2.85	2.37	2.50
Sales per dollar of gross profit (\$)	3.13	3.08	3.36	3.67	3.38
Sales per dollar of net income (\$)	8.34	8.07	9.81	11.80	12.30
Sales per dollar of operating expenses (less depreciation) (\$)	5.08	4.85	4.93	4.42	3.95

**Workload/Outputs:**

Sales (\$000)	71,024	74,723	80,360	83,983	87,762
Cases transferred in (000)	772	808	849	863	924

**Inputs:**

Operating expenses excluding depreciation (\$000)	13,990	15,415	16,304	19,008	22,199
Labor costs including salaries and benefits (\$000)	6,691	7,696	8,397	9,655	10,409
Workyears	125.1	125.1	149.6	153.9	153.9

## LIQUOR CONTROL

**PROGRAM:**

Wholesale Operations

**PROGRAM ELEMENT:**
**PROGRAM MISSION:**

To ensure the availability and delivery of beer, wine, and other beverage alcohol to wholesale licensees and retail stores at reasonable prices, in good condition, and in a manner that complies with all laws and returns a reasonable transfer to the General Fund

**COMMUNITY OUTCOMES SUPPORTED:**

- Provide high quality, high value service to customers
- Foster respect for all County, State, and Federal laws
- Provide a reasonable transfer to the General Fund to assist in supporting other County services

**PROGRAM MEASURES**

	FY04 ACTUAL	FY05 ACTUAL	FY06 ACTUAL	FY07 BUDGET	FY08 CE REC
<b><u>Outcomes/Results:</u></b>					
Gross profit (\$000)	25,694	28,458	28,109	29,154	30,502
Net income (\$000)	14,909	16,452	14,562	12,649	12,680
General Fund transfer (\$000)	13,517	13,532	13,661	13,530	14,620
<b><u>Service Quality:</u></b>					
Percentage of customers satisfied with employees' friendliness and professionalism	93	88	88	100	100
Percentage of customers satisfied with level of customer service provided	74	80	84	100	100
Percentage of customers satisfied with product integrity	84	87	81	100	100
Percentage of customers satisfied with product selection	80	82	76	100	100
<b><u>Efficiency:</u></b>					
Gross profit per dollar of labor costs (\$)	2.72	2.91	2.63	2.47	2.40
Sales per dollar of gross profit (\$)	3.78	3.63	3.95	3.98	3.97
Sales per dollar of net income (\$)	6.52	6.27	7.62	9.17	9.56
Sales per dollar of operating expense (less depreciation) (\$)	9.37	8.87	9.02	8.09	7.24
<b><u>Workload/Outputs:</u></b>					
Sales (\$000)	97,148	103,188	110,989	115,977	121,196
Cases sold (000)	4,026	4,026	4,144	5,661	6,060
<b><u>Inputs:</u></b>					
Operating expenses excluding depreciation (\$000)	10,368	11,628	12,300	14,340	16,747
Labor costs including salary and benefits (\$000)	9,433	9,796	10,685	11,801	12,720
Workyears	167.1	168.1	171.6	175.9	177.9